

ASSEMBLY BILL

No. 1103

Introduced by Assembly Member Karnette

February 22, 2005

An act to add Chapter 20 (commencing with Section 42990) to Part 3 of Division 30 of the Public Resources Code, relating to bicycle recycling and, making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 1103, as introduced, Karnette. Bicycle recycling.

The existing California Integrated Waste Management Act of 1989, which is administered by the California Integrated Waste Management Board, establishes an integrated waste management program, including the regulation of solid waste disposal.

The bill would establish the Bicycle Recycling and Disposal Program and would require each person selling a new bicycle in the state to pay a charge of \$7 to the board. The bill would exempt a used bicycle from the charge.

The bill would require the board to deposit the revenues collected into the California Bicycle Recycling and Disposal Program Fund, which the bill would create in the State Treasury. The bill would continuously appropriate the money in the fund for specified purposes, including to pay refund values, to make block grants for the implementation of certified reCycling centers, and to cover the cost of insurance.

The bill would require the board to appoint a bicycle program administrator to oversee program operation and to certify reCycling centers. The bill would require a reCycling center to conduct specified activities with regard to bicycle recycling, including accepting bicycles for reuse or recycling at no charge and paying a \$3 refund

value to each person who submits a California redemption value bicycle to the center for reuse or recycling. The bill would also authorize a reCycling center to take other actions with regard to encouraging recycling of bicycles.

The bill would require the board to adopt regulations, by March 1, 2006, to implement the program.

Vote: majority. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Chapter 20 (commencing with Section 42990) is
2 added to Part 3 of Division 30 of the Public Resources Code, to
3 read:

4
5 CHAPTER 20. BICYCLE REUSE, RECYCLING AND
6 DISPOSAL PROGRAM
7

8 42990. (a) Bicycles are a low-cost, low-energy, nonpolluting
9 form of transportation. Disposal of used bicycles is wasteful and
10 expensive.

11 (b) California has an escalating number of bicycles for
12 disposal every year. Currently over 250,000 bicycles are
13 disposed of in California. Less than 3,000 of them are recycled
14 each year.

15 (c) The scarcity of bicycle reuse, recycling, and disposal
16 centers, and the charges imposed on consumers for landfilling
17 used bicycles create economic disincentives for recycling that
18 could be addressed through a recycling incentive program.
19 Currently the cost to the state through waste disposal operators
20 exceeds three dollars and fifty cents (\$3.50) per bicycle handled.

21 (d) Used bicycles are a valuable state resource that should be
22 reclaimed and recycled wherever possible. There are currently no
23 dedicated resources for the recycling of used bicycles or any
24 comprehensive bicycle reuse programs. Therefore, the levying of
25 a fee for the disposal of used bicycles in the state is needed to
26 support bicycle recycling and reuse activities.

27 (e) Bicycle recycling education and mitigation efforts
28 regarding proper recycling and reuse of used bicycles is within
29 the purposes of this chapter.

1 (f) It is the intent of the Legislature to reduce the illegal
2 disposal of used bicycles in both urban and rural settings and
3 reclaim them to the greatest extent possible in order to recover
4 valuable natural resources, to avoid damage to the environment,
5 to prevent threats to public health, and to create opportunities for
6 reuse.

7 (g) The Legislature declares that the imposition of a seven
8 dollar (\$7) fee upon the sale of a new bicycle in this state would
9 not result in the imposition of a tax within the meaning of Article
10 XIII A of the California Constitution, because the amount and
11 nature of the fee has a fair and reasonable relationship to the
12 adverse environmental burdens imposed by the disposal of
13 bicycles in solid waste landfills and there is a sufficient nexus
14 between the fee imposed and the use of those fees to support
15 programs that encourage and provide for the recycling and reuse
16 of the bicycles.

17 42991. Unless the context otherwise requires, the following
18 definitions govern the construction of this chapter:

19 (a) “Administrator” means the Bicycle Program Administrator
20 appointed by the board pursuant to Section 42995.

21 (b) “Bicycle” means a two- or three-wheeled human-propelled
22 vehicle.

23 (c) “Fund” means the California Bicycle Recycling and
24 Disposal Fund established pursuant to Section 42998.

25 (d) “Library bicycle” or “library bike” means a bicycle that is
26 donated to a bicycle lending program.

27 (e) “Program” means the funding and establishment of
28 “reCycling centers” pursuant to this chapter.

29 (f) “ReCycling center” means a certified program that accepts
30 used bicycles for reuse or recycling, pursuant to Section 42996.

31 (g) “Used bicycle” means a bicycle that is not being sold at
32 retail.

33 42992. This chapter shall be known, and may be cited as, the
34 “Bicycle Recycling and Disposal Program.”

35 42993. (a) (1) Each person selling a new bicycle in the state
36 shall pay a fee of seven dollars (\$7) to the board for every new
37 bicycle sold in the state.

38 (2) The sale of a used bicycle is exempt from the fee imposed
39 pursuant to paragraph (1).

(b) The board shall deposit the fee revenues collected pursuant to this section into the fund. For purposes of this chapter, the board may collect the fees pursuant to the Fee Collection Procedures Law (Part 30 (commencing with Section 55001) of Division 2 or the Revenue and Taxation Code).

42944. Each bicycle sold in the state that is not a used bicycle shall clearly indicate the message “CA Redemption Value” or “California Redemption Value” by securely affixing a long-lasting sticker with the bicycle recycling logo to the bicycle.

42995. (a) The board shall appoint a bicycle program administrator to oversee program operation, develop eligibility criteria for certifying reCycling centers operating pursuant to this chapter, and administer program funds, including awarding grants. The board shall review the appointment of the administrator at least every three years. The bicycle program administrator may either be an organization or an individual, and shall be an independent contractor.

(b) The bicycle program administrator shall meet all of the following requirements:

(1) At least five years' experience reusing and recycling bicycles.

(2) Participation in national and international bicycle conferences.

(3) Experience with bicycle events and management of bicycle events.

(4) Engineering experience or training.

(c) The bicycle program administrator shall certify a reCycling center, in compliance with the regulations adopted by the board pursuant to this chapter.

42995.5. The administrator shall secure insurance coverage by pooling or aggregating the risk across the state or regions of the state pursuant to the following procedures:

(a) The administrator shall put the pooled risk up for bid to insurers, which shall allow an insurer to bid on supplying general liability insurance for reCycling centers of at least one million dollars (\$1,000,000) general liability coverage.

(b) An insurance company bidding on coverage for the reCycling centers shall state the number of reCycling centers it will insure in the state, or which portion of the state, in increments of reCycling centers offering reuse of 500 bicycles,

1 and increments of 250 children participating twice a week in
2 after school training programs at the centers. An insurance
3 provider may bid on portions of the state or the whole state for
4 coverage bids. The administrator shall delineate, as areas of
5 coverage, northern California, central California, San Francisco
6 Bay area, Los Angeles urban district, and southern California
7 suburban and rural zones.

8 (c) An insurance company bidding on the coverage for a
9 reCycling center shall be a state emitted carrier, a surplus lines
10 carrier who agrees to join a surplus lines agreement, a carrier
11 who agrees to appear in a state court for all claims, or
12 nonadmitted carrier as approved by the insurance commissioner.

13 (d) The administrator shall require the insurance coverage to
14 pool risk for reCycling centers so that a reCycling center will not
15 be required to secure individual insurance. The administrator
16 shall provide insurance coverage for reCycling centers using a
17 revolving account. A reCycling center shall reimburse the
18 insurance revolving account as a condition of its contract
19 obligations with the administrator.

20 (e) The administrator shall provide funds to insurers of
21 reCycling centers in an amount that is less than 20 percent of the
22 amount annually deposited in the fund, or one million dollars
23 (\$1,000,000) whichever is less. When providing these funds, the
24 administrator may limit the extent of reuse and bicycle recycling
25 in the state and shall give first priority to first established
26 programs.

27 42996. (a) A certified reCycling center shall do all of the
28 following:

29 (1) Accept bicycles for reuse or recycling at no charge.

30 (2) Pay a three dollar (\$3) refund value to each person who
31 submits a California redemption value bicycle to the center for
32 reuse or recycling.

33 (3) Evaluate each bicycle as to whether it should be recycled
34 or reused.

35 (4) Make available educational material provided by the
36 administrator.

37 (5) Place a sticker on each redeemed bicycle indicating the
38 bicycle has been redeemed.

39 (6) For each bicycle set aside for reuse, perform a safety test
40 including at least one test ride. A bicycle that is redeemed as a

1 library bicycle shall be owned by the reCycling center that
2 redeems the bicycle.

3 (7) Offer bicycles for lending to the public at least once a
4 week.

5 (b) A reCycling center may additionally do all of the
6 following:

7 (1) Charge a deposit to ensure the return of a library bicycle.

8 (2) Offer educational outreach with regard to the program.

9 (3) Offer awards and recognition for participants.

10 (4) Provide any other service consistent with the purposes of
11 this chapter.

12 42997. On or before March 1, 2006, the board shall adopt
13 regulations to implement this chapter. The regulations shall, at a
14 minimum, do all of the following:

15 (a) Establish a bicycle program administrator at the board
16 pursuant to Section 42995.

17 (b) Establish a procedure for regulating the reuse, recycling,
18 and disposal of bicycles and certifying reCycling centers.

19 (c) Establish a procedure to secure insurance providers for the
20 program.

21 42998. The board shall deposit all amounts paid pursuant to
22 Section 42993, and all other revenues received pursuant to this
23 chapter, into the California Bicycle Recycling and Disposal
24 Program Fund, which is hereby created in the State Treasury.
25 Notwithstanding Section 13340 of the Government Code, the
26 money in the fund is continuously appropriated for expenditure
27 for the following purposes:

28 (a) To allocate to certified reCycling centers to pay refund
29 values pursuant to Section 42996.

30 (b) To make block grants for the implementation of certified
31 reCycling centers based on the criteria adopted pursuant to
32 Section 42997.

33 (c) To cover the cost of insurance for certified reCycling
34 centers pursuant to Section 42997. This insurance shall not
35 include any additional insurance necessary for after school
36 programs.

37 (d) To provide a reserve for contingencies, as may be available
38 after making other payments required by this section, in an
39 amount not to exceed one million dollars (\$1,000,000).

1 (e) To pay the administrative costs necessary to administer this
2 chapter, which shall not exceed 22 percent of the amount
3 annually deposited in the fund.

4 42999. The board shall keep accurate books, records, and
5 accounts of all its dealings, and these may be subject to an annual
6 audit from an auditing firm selected by the board, under normal
7 board operating procedures. The firm or board may also conduct
8 a selective audit of entities making payments to or receiving
9 payments from the board to determine whether grants and refund
10 values are being paid out properly by the board.

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